

**Objective and Investment Strategy**

The Fund aims to outperform the MSCI China A Net Return USD index over the mid to long term by investing primarily in Chinese A-shares listed equities. The Fund offers investors direct access to the rising potential of China's economy with a focus on sectors benefiting from the growth of the domestic market. The portfolio focuses on companies whose shares are trading below their intrinsic value, which have a high earning power and a strong management team. The Fund invests primarily in Chinese A-shares listed equities and up to 25% in Hong Kong listed H-Shares.

**Key facts**

Invest. Manager	Banque Paribas & Cie SA
Sub Invest. Manager	Zhong Ou Asset Mgmt Intl. Ltd, Hong Kong
Fund Size	USD 81m
Fund Launch Date	December 20, 2019
Management Fee	A: 0.8% I: 1.2% R: 2.0%
Performance Fee	15% with HWM (MSCI China A Net Return USD)
Minimum Invest.	A: EUR 20m I: EUR 100k R: 1 share
Domicile	Luxembourg
Fund type	UCITS Part V SICAV
Benchmark	MSCI China A Net Return USD Index
Base Currency	USD

**Monthly comment**

In July, the MSCI China A Index was down 6.57% whereas the CSI 300 index of Shanghai- and Shenzhen-listed blue-chips fell almost 8 per cent, worse than the rout it suffered at the start of the coronavirus pandemic early last year. Stricter regulations on the education sector extending the regulatory reach that had focused on e-commerce and internet companies weighted on investor sentiment. Chinese education stocks crushed very badly such as TAL Education, New Oriental and Gaotu Techedu losing ¾ of their valuation in the month.

In this turbulent context, the Fund plummeted 7.93%, negatively affected by the allocation on building materials and electronic components.

While continuously focusing on the Sino-US situation, we believe the market correction this time to be short-term, which offers us a good buy-the-low opportunity. We had accordingly increased allocation on food and beverage, banks, materials, property management, IT and communication services. At the time of writing, the Fund was up 5.04% for the month.

**Risk and reward indicator**



For more information on risk, please refer to the KIID and the Fund Prospectus.

**Monthly return Class A USD (Net of fees)**

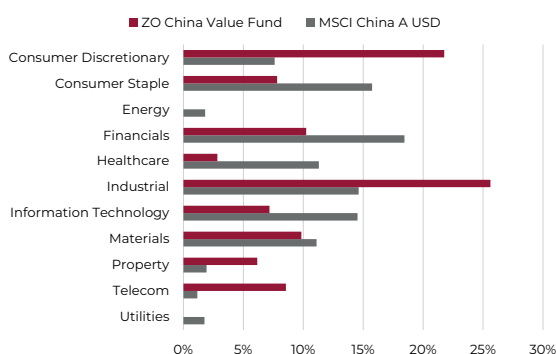
		Jan.	Feb.	March	April	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2020	Fund	-3.81%	0.09%	-7.91%	3.05%	-2.26%	5.26%	13.19%	7.57%	-2.60%	3.19%	9.33%	-1.71%	23.62%
	Index	-1.81%	-0.43%	-7.12%	6.89%	-1.98%	10.42%	15.02%	4.80%	-4.33%	3.28%	6.19%	7.79%	43.20%
2021	Fund	0.81%	3.11%	-2.27%	2.34%	2.15%	-3.36%	-7.93%						-5.51%
	Index	3.77%	-1.50%	-6.27%	4.26%	6.27%	-1.45%	-6.57%						-2.26%

**Portfolio breakdown**

Type of shares	% allocation
China A-shares	73
China H-shares	22
Cash	5

Capitalization	% allocation
Large cap (USD > 10bn)	42
Mid cap (USD 2 - 10bn)	37
Small cap (USD < 2bn)	20

**Sector Allocation vs MSCI China A Share Index**



**Top Ten Holdings**

Name	% of Assets
HENGLI PETROCHEMICAL CO LTD	8.36%
CHINA MERCHANTS BANK CO LTD	7.85%
SHENZHEN LUXSHARE PRECISION INDUSTRY	6.84%
BEIJING NEW BUILDING MATERIALS	5.17%
HANGZHOU GREAT STAR INDUSTRIAL CO LTD	4.65%
ZHONGSHENG GROUP	4.49%
TENCENT HOLDINGS LTD	4.38%
HANGCHA GROUP	4.19%
NINGBO HUAXIANG ELECTRONIC	4.15%
TEXHONG TEXTILE GROUP LTD	3.34%
<b>Total</b>	<b>53.42%</b>

## Return and available share classes as of 31.07.2021

Class	A - CHF	I - CHF	R - CHF
Month	-9.73%	-9.76%	-9.82%
NAV	107.851	108.177	120.472
ISIN	LU2091132444	LU2091133178	LU2091133764
Bloomberg	CZOCVAC LX	CZOCVIC LX	CZOCVRC LX
Valoren	51343076	51343023	51343071

Class	A - EUR	I - EUR	R - EUR
Month	-7.92%	-7.96%	-8.02%
NAV	109.221	109.293	118.334
ISIN	LU2091132360	LU2091133095	LU2091133681
Bloomberg	CZOCVAE LX	CZOCVIE LX	CZOCVRE LX
Valoren	51343061	51343006	51343040

Class	A - USD	I - USD	R - USD
Month	-7.93%	-7.96%	-8.03%
NAV	116.838	116.081	129.939
ISIN	LU2091132527	LU2091133251	LU2091133848
Bloomberg	COCLCLU LX	CZOCVIU LX	CZOCVRU LX
Valoren	51343079	51343033	51343078

Class	A - GBP	I - GBP	R - GBP
Month			
NAV			
ISIN	LU2091132790	LU2091133335	LU2091133921
Bloomberg	CZOCVAG LX	CZOCVIG LX	CZOCVRG LX
Valoren	51343103	51343034	51343117

Class	A - HKD	I - HKD	R - HKD
Month			
NAV			
ISIN	LU2091132956	LU2091133509	LU2091134143
Bloomberg	CZOCVAH LX	CZOCVIH LX	CZOCVRH LX
Valoren	51343120	51343050	51343158

Class	A - JPY	I - JPY	R - JPY
Month			
NAV			
ISIN	LU2091132873	LU2091133418	LU2091134069
Bloomberg	CZOCVAJ LX	CZOCVIJ LX	CZOCVRJ LX
Valoren	51343119	51343047	51343127

## Practical information

Strategy	Equity, Value
Liquidity	Weekly, every Friday
Cut off	Thursday 11:00 CET
Subscription fee	None
Redemption fee	Up to 1%

Type	Accumulation
Management Company	Lemanik Asset Mgmt S.A, Lux.
Depository & Administrator	CACEIS Bank, Luxembourg
Legal Advisor	Arendt & Medernach, Luxembourg
Auditor	PwC, Luxembourg

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 **中欧基金**  
ZHONG OU ASSET MANAGEMENT

- Sub-Investment Manager of the Convergence Lux-ZO China Value Fund
- Leading active manager in China
- Hong Kong and Shanghai based investment manager founded in 2006
- 4th largest active fund manager in mainland China with USD 88bn assets under mgmt

**32%** ESOP 1st to launch Employee Stock Ownership Plan, employees as largest shareholder

**49%** As of December 2020, 49% of the company employees are women

## Head Portfolio Managers



Mingchang Cao  
(Shanghai)

- 23+ years of experience investing in Chinese capital market
- Joined Zhong Ou in June 2015 and became a shareholder of the company



Ken Luo  
(Hong Kong)

- 9+ years of experience in Hong Kong equity research and investments
- Joined Zhong Ou in 2018 as head of Hong Kong equity strategy

The prospectus and the Key Investor Information Documents for Switzerland, the articles of association, the annual and semi-annual report, the list of the purchases and sales and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. The last share prices can be found on fundeye.com. For the shares of the funds distributed to non-qualified investors in and from Switzerland and for the shares of the funds distributed to qualified investors in Switzerland, the place of performance is Geneva. If performance is mentioned: Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.